

JERROLD OPPENHEIM
57 MIDDLE STREET
GLOUCESTER, MASSACHUSETTS 01930-5736
+1 (978) 283-0897
Fax +1 (978) 283-0957
JerroldOpp@tgic.net

December 23, 2001

Mary Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, Mass. 02110

RE: Bay State Gas Co. proposed Gas Cost Incentive Mechanism (noticed
December 4, 2001), DTE 01-81

Dear Secretary Cottrell:

This letter is filed on behalf of the low-income weatherization and fuel assistance network (described in G.L. c. 25, sec. 19), the Massachusetts Community Action Program Directors Association Inc. (MASSCAP), and the Low-Income Energy Affordability Network (LEAN), including their member agencies. It requests that the aforementioned parties be granted intervenor status in the above-captioned docket, in which Bay State Gas Co. (the Company) proposes a Gas Cost Incentive Mechanism to encourage the Company to manage its purchased gas portfolio in a manner that reduces customer costs.

G.L. c. 25, sec. 19 (St. 1997, c. 164, sec. 37) provides that "The low-income residential demand-side management and education programs shall be implemented through the low-income weatherization and fuel assistance program network and shall be coordinated with all gas distribution companies in the commonwealth with the objective of standardizing implementation." LEAN was established among the member agencies of the low-income weatherization and fuel assistance program network, including agencies that serve Bay State Gas customers, to provide the services required for implementing the coordination requirements of the statute. MASSCAP is the organization of community action programs that make up most of the low-income weatherization and fuel assistance program network. Members of both MASSCAP and LEAN implement the Company's low-income DSM programs, including education; they also process applications for LIHEAP and other assistance for Company customers.

Members of MASSCAP and LEAN counsel customers of the Company about rates and payment options, and arrange rate payment assistance (including LIHEAP and other forms of assistance) for Company customers. Many of the Company's customers, especially the low-income customers served by members of MASSCAP and LEAN, are currently having an especially difficult time paying their bills due to the significant increases in the past year in the price, and the price volatility, of the natural gas commodity delivered by the Company.

Petitioners are thus substantially affected by the level and volatility of the Company's supply price because (a) their clients (or clients of their members) are more likely to require assistance as rates and volatility rise, (b) the efficiency, weatherization, education, counseling and payment assistance services they (or their members) offer are less likely to result in affordable utility bills for their clients as rates and volatility rise, (c) they (or their members) will be increasingly called upon to secure other means of assistance with utility bills as rates and volatility rise, (d) they (or their members) will be increasingly called upon to assist clients who have had utility service terminated for non-payment, and (e) they will be called upon by their members to assist them in helping members' clients as rates and volatility rise. Petitioners also represent the interest of their (or their members') clients in reasonable and stable rates that they can afford to manage and pay; clients are substantially affected by rates that they cannot afford to pay because they are unreasonably high or volatile.

The petitioners have questions about price levels and price stability with respect to the above-captioned filing. In petitioners' view, for example, gas purchasing portfolios should be managed to reduce price volatility as well as to reduce overall costs. Furthermore, many of the issues raised by the Company's petition are at issue in the Department's generic Inquiry regarding Risk Management Techniques to Mitigate Natural Gas Price Volatility, DTE 01-100 (December 4, 2001), which is thus a superior forum for investigating the issues raised in the instant docket.

If settlement is not attainable in this docket, petitioners expect to file oral and documentary evidence on the topics described above (particularly the need for reasonable and stable supply prices and means to achieve them), contending that the Company's petition is unreasonable under G.L. c. 164. Relief sought would include a means, alternative to that proposed by the Company, of controlling the volatility of the Company's supply prices.

Wherefore, the low-income weatherization and fuel assistance network, the Massachusetts Community Action Program Directors Association Inc., and the Low-Income Energy Affordability Network, including their member agencies, respectfully request that the Department grant intervenor status to these petitioners.

Respectfully submitted,

The low-income weatherization and fuel assistance network, Massachusetts Community Action Program Directors Association Inc., Low-Income Energy Affordability Network, and Berkshire Community Action Council, Inc.

By

Jerrold Oppenheim

cc by e-mail:

DTE E-filing

Michael Killion, DTE

George Yiankos, Chief, Gas Division, DTE

Steven Venezia, DOER

John DeTore, Esq.; Stephen Bryant, BSG

Elliott Jacobson; Charlie Harak, Esq., LEAN